

EXHIBIT

B

BAYOU FUND L.L.C.

*31 Buckout Road
West Harrison, New York, 10604
(914) 993-3327*

March 20, 1996

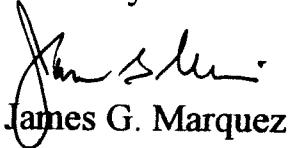
Bill Edgar
Sunpoint Securities
3501 N.E. 10th Street
Suite 110
Ocala, Florida 34470

Dear Bill,

As per your request, enclosed is the information regarding the fund and my resume.

It was a pleasure to speak with you. I am looking forward to meeting with you or your associates when I am in Florida.

Sincerely



James G. Marquez

JGM/dm

Bayou Fund LLC
31 Buckout Road
West Harrison, NY 10604

April 26, 1997

Thomas Taylor
Taylor and Co.
50 Pear Lane Field Point Park
Greenwich, Conn. 06830

Dear Tom,

I have thought of you often during these past two years, wondering why you stopped our discussions without further explanation. If you heard something about me from someone else, I would at least have liked to have had an opportunity for rebuttal. If not, then why the cold shoulder ? I would modestly call attention to the explosive move the oil service and natural gas stocks have had over these same two years where you could have had returns comparable to your Disney investment ! [hard copy of report from 1975 to follow under separate cover.]

The past two years have been filled with soul searching and a renewed resolve to show the world that I am back on track, and can be counted on to deliver the positive results I have historically produced. I have started a new fund with an old friend of mine, Sam Israel, who's most recent job was the partner in charge of trading at Leon Cooperman's Omega Advisors. I joined Sam about one year ago to build a business around a mathematical model for trading that you could generically describe as a "neural net." This system grew out of research and simulation studies started ten years ago by Tudor Jones, Louis Bacon, and a former associate of yours and mine, Stanley Patrick. Stanley, post his legal problems, was going to form this fund with Sam but backed out for reasons known only to him. It is a pattern recognition system - I am sure you have seen lots of them.

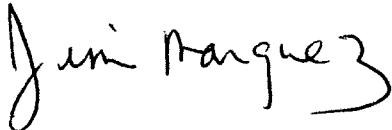
Where we depart from others is that we utilize the discipline and process of the system to generate the technical trades that have mathematical "integrity" and then further sort the buy/sells by fundamental analytical opinion.. It is a marriage of two disciplines ; make the

technical trades fundamentally backed and make the fundamental trades be fully supported by the supply/demand work. I have had a terrible habit during my career of being right but being too early. The system has substantially closed the gap between when I put a trade on and it actually begins to work.

Bayou Fund was formed in April 1996 with approximately one million dollars of our own money. We have traded generally without leverage with a somewhat bearish bias. We have been constantly tinkering with weightings and parameters as we adjusted to rising prices as well as rising volatility. The last adjustments were made in November, 1996 and the system has performed quite well since that time in our opinion. The quarter ending March 31st ended up 21%, albeit on small dollars during a very funky market. Maybe you do not remember this from our earlier discussions, but I generally do well when the market becomes difficult for others. I am not a straight bull market player by any means. Well, I do not know about you, but we definitely feel a significant change has occurred in the markets. I believe this is our time and it is now our turn for profitability. Others have enjoyed a very long period with the wind at their backs - and in our face. However, as with the weather, circumstances can and do change often without much prior notice. I am not making any summary judgments, or grand prognostications about bull vs. bear markets now or in the future. We trade VERY hard every day seeking opportunities and exploiting temporary disequilibrium situations in the markets which are identifiable through our trading system. Our discipline also helps to keep us out of trouble which seems quite easy to get into these days.

If you are interested either personally or institutionally, I would be honored and privileged to go to work on your behalf. If not, please be advised that we also have a brokerage firm which executes agency business as well as brokers for the fund itself. It is called, what else, Bayou Securities. Please call or write me so I do not get a total complex from this exercise - just joking, about the complex that is.

Sincerely,



Jim Marquez

P.S. Enclosed is a trade which we have put on in some size for the fund. It is representative of our current methodology and discipline. We feel the risk/reward potential of this trade over the next 30 days is compelling.

To: Tom Taylor
From: Sam Israel and Jim Marquez

Date: April 25, 1997

We see a very interesting trade setting up in Newmont Mining. The company has been subjected to tremendous selling/ shorting due to the disappointing action in gold bullion as well as the arbitrage shorting against the stock acquisition of Santa Fe Gold. One additional but unconfirmed rumor has it that Soros has been liquidating a major chunk of his equity portfolio including Newmont where he has a filed position.

While I am sure you have had more experience with postmerger trading patterns than we do, I'd like to highlight two stocks we have actively traded during the past 6 months and what happened after their merger votes occurred.

Seagull Energy acquired Global Natural Resources last year for stock. When the deal was announced Seagull was trading @ \$22.00. When the deal closed SGO was priced @ \$17.50. Ten days after the deal closed SGO was trading @ \$21.50, a 26% increase. Another energy stock, Transocean Offshore (RIG) acquired a company last year also. The stock became so heavily shorted in the arbitrage that RIG was no longer borrowable and started to get "bought in" before the merger actually took place. The stock started to move up when word got around of the buy - in and ran 12 points, from 50 to 62, or 24% increase.

Enough said - To the trade itself:

We propose buying 3 NEM May 35 Calls vs Shorting 1 gold contract July 350 Call. As you can see from the attached chart NEM has underperformed gold bullion rather dramatically. The merger vote is set for May 5th and we believe Santa Fe will stop trading May 6th. That leaves 12 days for the postmerger price recovery. The NEM Calls expire May 16th and the July gold Calls expire June 13th. So you may want to use NEM June Calls which expire June 20th, however they are more expensive.

Obviously, due to the option premiums this trade should be done as soon as possible. If you have an interest please let us know.

4/26/97

To: Neil Ramsey

From: Jim Marquez

When you get a moment I would like to speak to you about what Sam Israel and I are doing here at Bayou Fund / Bayou Securities. I waited to communicate with you until I was certain that my "dark phase" was definitively a thing of the past. In the mean time, enclosed is a trade we have put on in some size for the fund which we feel is compelling for your review. This trade is representative of what Bayou Fund is doing these days. If you decide to join us in this trade I must point out that there is only one week until the trade closes. I look forward to either hearing from you or seeing you on your next trip to New York.

BAYOU FUND L.L.C.
31 BUCKOUT ROAD
WEST HARRISON, N.Y. 10604

JAMES G. MARQUEZ
T. 914 • 993 • 3322
F. 914 • 993 • 3326

BAYOU FUND L.L.C.
31 BUCKOUT ROAD
WEST HARRISON, N.Y. 10604

SAMUEL ISRAEL III
T. 914 • 993 • 3320
F. 914 • 993 • 3326

BAYOU FUND L.L.C.

MAILING ADDRESS:
P.O. BOX 542
PURCHASE, N.Y. 10577

31 BUCKOUT ROAD, WEST HARRISON, N.Y. 10604

T. 914 • 993 • 3320
F. 914 • 993 • 3326

June 9, 1997

Albert Crutcher
Crutcher - Tufts Corporation
3800 One Shell Square
701 Poydras Street
New Orleans, LA 70139

FYI - Letter sent to our members

Dear Albert:

May has been very good for us at Bayou Fund. Specifically, the month was up 16.2% and the year - to - date is now plus 37%. Virtually everything went right for the month and returns might have been even higher had we been more aggressive with the same ideas we were already employing. These returns have been produced with only moderate use of leverage and, yes, we are still shorting from time to time based on our model indicators.

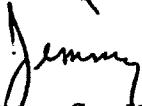
You will recall that we have three profit (loss) centers: stocks(short/long), derivatives, and commodities. Once again, the bulk of the returns have been generated in U.S. stocks. While not necessarily our intention, it is where the best volatility and liquidity profiles still exist by far among all markets both here and abroad.

While we obviously hope returns will continue to grow at this pace, it is not realistic and we don't want to stretch or get too risk - oriented with the market so quixotic.

Should any of you wish to add to your investment with Bayou, our next opening will be July 1st. We do have a number of new investors coming into Bayou at that time.

Please call if you have any questions.

Very truly yours,


James G. Marquez

BAYOU FUND L.L.C.

MAILING ADDRESS:

P.O. BOX 542

PURCHASE, N.Y. 10577

31 BUCKOUT ROAD, WEST HARRISON, N.Y. 10604

T. 914 • 993 • 3320

F. 914 • 993 • 3326

June 10, 1997

William Broadbent
75 Pecksland Road
Greenwich, CT 06830

FYI - Letter sent to our members

Dear Bill:

May has been very good for us at Bayou Fund. Specifically, the month was up 16.2% and the year - to - date is now plus 37%. Virtually everything went right for the month and returns might have been even higher had we been more aggressive with the same ideas we were already employing. These returns have been produced with only moderate use of leverage and, yes, we are still shorting from time to time based on our model indicators.

You will recall that we have three profit (loss) centers: stocks(short/long), derivatives, and commodities. Once again, the bulk of the returns have been generated in U.S. stocks. While not necessarily our intention, it is where the best volatility and liquidity profiles still exist by far among all markets both here and abroad.

While we obviously hope returns will continue to grow at this pace, it is not realistic and we don't want to stretch or get too risk - oriented with the market so quixotic.

Should any of you wish to add to your investment with Bayou, our next opening will be July 1st. We do have a number of new investors coming into Bayou at that time.

Please call if you have any questions.

Very truly yours,



James G. Marquez

BAYOU FUND L.L.C.

MAILING ADDRESS:

P.O. BOX 542

PURCHASE, N.Y. 10577

31 BUCKOUT ROAD, WEST HARRISON, N.Y. 10604

T. 914 • 993 • 3320

F. 914 • 993 • 3326

June 10, 1997

Susan Byrne
Westwood Management Corp.
330 Crescent Court
Suite 1320
Dallas, TX 75201

FYI - Letter sent to our members

Dear Susan:

May has been very good for us at Bayou Fund. Specifically, the month was up 16.2% and the year - to - date is now plus 37%. Virtually everything went right for the month and returns might have been even higher had we been more aggressive with the same ideas we were already employing. These returns have been produced with only moderate use of leverage and, yes, we are still shorting from time to time based on our model indicators.

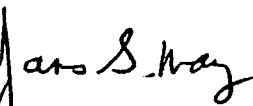
You will recall that we have three profit (loss) centers: stocks(short/long), derivatives, and commodities. Once again, the bulk of the returns have been generated in U.S. stocks. While not necessarily our intention, it is where the best volatility and liquidity profiles still exist by far among all markets both here and abroad.

While we obviously hope returns will continue to grow at this pace, it is not realistic and we don't want to stretch or get too risk - oriented with the market so quixotic.

Should any of you wish to add to your investment with Bayou, our next opening will be July 1st. We do have a number of new investors coming into Bayou at that time.

Please call if you have any questions.

Very truly yours,


James G. Marquez

BAYOU FUND L.L.C.

MAILING ADDRESS:

P.O. BOX 542
PURCHASE, N.Y. 10577

31 BUCKOUT ROAD, WEST HARRISON, N.Y. 10604

T. 914 • 993 • 3320
F. 914 • 993 • 3326

June 10, 1997

Carter Beese
2 Golf Course Road
Owings Mills, MD 21117

FYI - Letter sent to our members

Dear Carter:

May has been very good for us at Bayou Fund. Specifically, the month was up 16.2% and the year - to - date is now plus 37%. Virtually everything went right for the month and returns might have been even higher had we been more aggressive with the same ideas we were already employing. These returns have been produced with only moderate use of leverage and, yes, we are still shorting from time to time based on our model indicators.

You will recall that we have three profit (loss) centers: stocks(short/long), derivatives, and commodities. Once again, the bulk of the returns have been generated in U.S. stocks. While not necessarily our intention, it is where the best volatility and liquidity profiles still exist by far among all markets both here and abroad.

While we obviously hope returns will continue to grow at this pace, it is not realistic and we don't want to stretch or get too risk - oriented with the market so quixotic.

Should any of you wish to add to your investment with Bayou, our next opening will be July 1st. We do have a number of new investors coming into Bayou at that time.

Please call if you have any questions.

Very truly yours,


James G. Marquez

BAYOU FUND L.L.C.

31 BUCKOUT ROAD, WEST HARRISON, N.Y. 10604

MAILING ADDRESS:

P.O. BOX 542

PURCHASE, N.Y. 10577

T. 914 • 993 • 3320

F. 914 • 993 • 3326

June 10, 1997

Lou Belluci Sr.
Jefferies & Co., Inc.
650 Fifth Avenue
New York, N.Y. 10019

FYI - Letter sent to our members

Dear Lou:

May has been very good for us at Bayou Fund. Specifically, the month was up 16.2% and the year - to - date is now plus 37%. Virtually everything went right for the month and returns might have been even higher had we been more aggressive with the same ideas we were already employing. These returns have been produced with only moderate use of leverage and, yes, we are still shorting from time to time based on our model indicators.

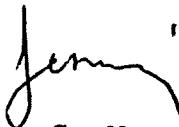
You will recall that we have three profit (loss) centers: stocks(short/long), derivatives, and commodities. Once again, the bulk of the returns have been generated in U.S. stocks. While not necessarily our intention, it is where the best volatility and liquidity profiles still exist by far among all markets both here and abroad.

While we obviously hope returns will continue to grow at this pace, it is not realistic and we don't want to stretch or get too risk - oriented with the market so quixotic.

Should any of you wish to add to your investment with Bayou, our next opening will be July 1st. We do have a number of new investors coming into Bayou at that time.

Please call if you have any questions.

Very truly yours,


James G. Marquez

BAYOU FUND L.L.C.

MAILING ADDRESS:

P.O. BOX 542

PURCHASE, N.Y. 10577

31 BUCKOUT ROAD, WEST HARRISON, N.Y. 10604

T. 914 • 993 • 3320

F. 914 • 993 • 3326

June 10, 1997

Dennis Crumbine
150 Pecksland Road
Greenwich, CT 06830

FYI - Letter sent to our members

Dear Dennis:

May has been very good for us at Bayou Fund. Specifically, the month was up 16.2% and the year - to - date is now plus 37%. Virtually everything went right for the month and returns might have been even higher had we been more aggressive with the same ideas we were already employing. These returns have been produced with only moderate use of leverage and, yes, we are still shorting from time to time based on our model indicators.

You will recall that we have three profit (loss) centers: stocks(short/long), derivatives, and commodities. Once again, the bulk of the returns have been generated in U.S. stocks. While not necessarily our intention, it is where the best volatility and liquidity profiles still exist by far among all markets both here and abroad.

While we obviously hope returns will continue to grow at this pace, it is not realistic and we don't want to stretch or get too risk - oriented with the market so quixotic.

Should any of you wish to add to your investment with Bayou, our next opening will be July 1st. We do have a number of new investors coming into Bayou at that time.

Please call if you have any questions.

Very truly yours,


James G. Marquez

BAYOU FUND L.L.C.

MAILING ADDRESS:
P.O. BOX 542
PURCHASE, N.Y. 10577

31 BUCKOUT ROAD, WEST HARRISON, N.Y. 10604

T. 914 • 993 • 3320
F. 914 • 993 • 3326

June 10, 1997

Leonard Cohen
13534 Lucca Drive
Pacific Pallisades, CA 90272

FYI - Letter sent to our members

Dear Leonard:

May has been very good for us at Bayou Fund. Specifically, the month was up 16.2% and the year - to - date is now plus 37%. Virtually everything went right for the month and returns might have been even higher had we been more aggressive with the same ideas we were already employing. These returns have been produced with only moderate use of leverage and, yes, we are still shorting from time to time based on our model indicators.

You will recall that we have three profit (loss) centers: stocks(short/long), derivatives, and commodities. Once again, the bulk of the returns have been generated in U.S. stocks. While not necessarily our intention, it is where the best volatility and liquidity profiles still exist by far among all markets both here and abroad.

While we obviously hope returns will continue to grow at this pace, it is not realistic and we don't want to stretch or get too risk - oriented with the market so quixotic.

Should any of you wish to add to your investment with Bayou, our next opening will be July 1st. We do have a number of new investors coming into Bayou at that time.

Please call if you have any questions.

Very truly yours,

James Marquez
James G. Marquez

BAYOU FUND L.L.C.

MAILING ADDRESS:

P.O. BOX 542

PURCHASE, N.Y. 10577

31 BUCKOUT ROAD, WEST HARRISON, N.Y. 10604

T. 914 • 993 • 3320

F. 914 • 993 • 3326

June 10, 1997

Charles Davidson
895 Lake Avenue
Greenwich, CT 06830

FYI - Letter sent to our members

Dear Chuck:

May has been very good for us at Bayou Fund. Specifically, the month was up 16.2% and the year - to - date is now plus 37%. Virtually everything went right for the month and returns might have been even higher had we been more aggressive with the same ideas we were already employing. These returns have been produced with only moderate use of leverage and, yes, we are still shorting from time to time based on our model indicators.

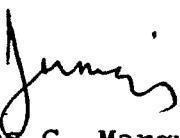
You will recall that we have three profit (loss) centers: stocks(short/long), derivatives, and commodities. Once again, the bulk of the returns have been generated in U.S. stocks. While not necessarily our intention, it is where the best volatility and liquidity profiles still exist by far among all markets both here and abroad.

While we obviously hope returns will continue to grow at this pace, it is not realistic and we don't want to stretch or get too risk - oriented with the market so quixotic.

Should any of you wish to add to your investment with Bayou, our next opening will be July 1st. We do have a number of new investors coming into Bayou at that time.

Please call if you have any questions.

Very truly yours,


James G. Marquez

BAYOU FUND L.L.C.

MAILING ADDRESS:
P.O. BOX 542
PURCHASE, N.Y. 10577

31 BUCKOUT ROAD, WEST HARRISON, N.Y. 10604

T. 914 • 993 • 3320
F. 914 • 993 • 3326

June 10, 1997

Richard Dickey
36 Keofferam Road
Old Greenwich, CT 06870

FYI - Letter sent to our members

Dear Dickie:

May has been very good for us at Bayou Fund. Specifically, the month was up 16.2% and the year - to - date is now plus 37%. Virtually everything went right for the month and returns might have been even higher had we been more aggressive with the same ideas we were already employing. These returns have been produced with only moderate use of leverage and, yes, we are still shorting from time to time based on our model indicators.

You will recall that we have three profit (loss) centers: stocks(short/long), derivatives, and commodities. Once again, the bulk of the returns have been generated in U.S. stocks. While not necessarily our intention, it is where the best volatility and liquidity profiles still exist by far among all markets both here and abroad.

While we obviously hope returns will continue to grow at this pace, it is not realistic and we don't want to stretch or get too risk - oriented with the market so quixotic.

Should any of you wish to add to your investment with Bayou, our next opening will be July 1st. We do have a number of new investors coming into Bayou at that time.

Please call if you have any questions.

Very truly yours,


James G. Marquez

BAYOU FUND L.L.C.

31 BUCKOUT ROAD, WEST HARRISON, N.Y. 10604

MAILING ADDRESS:

P.O. BOX 542

PURCHASE, N.Y. 10577

T. 914 • 993 • 3320

F. 914 • 993 • 3326

June 10, 1997

William Dudley
Amerian Express Financial Advisors
I.D.S. Tower 10
Minneapolis, MN 55440

FYI - Letter sent to our members

Dear Bill:

May has been very good for us at Bayou Fund. Specifically, the month was up 16.2% and the year - to - date is now plus 37%. Virtually everything went right for the month and returns might have been even higher had we been more aggressive with the same ideas we were already employing. These returns have been produced with only moderate use of leverage and, yes, we are still shorting from time to time based on our model indicators.

You will recall that we have three profit (loss) centers: stocks(short/long), derivatives, and commodities. Once again, the bulk of the returns have been generated in U.S. stocks. While not necessarily our intention, it is where the best volatility and liquidity profiles still exist by far among all markets both here and abroad.

While we obviously hope returns will continue to grow at this pace, it is not realistic and we don't want to stretch or get too risk - oriented with the market so quixotic.

Should any of you wish to add to your investment with Bayou, our next opening will be July 1st. We do have a number of new investors coming into Bayou at that time.

Please call if you have any questions.

Very truly yours,


James G. Marquez

BAYOU FUND L.L.C.

31 BUCKOUT ROAD, WEST HARRISON, N.Y. 10604

MAILING ADDRESS:

P.O. BOX 542

PURCHASE, N.Y. 10577

T. 914 • 993 • 3320

F. 914 • 993 • 3326

June 10, 1997

Jon S. Fossel
Mead Street
Waccabuc, N.Y. 10597

FYI - Letter sent to our members

Dear Jon:

May has been very good for us at Bayou Fund. Specifically, the month was up 16.2% and the year - to - date is now plus 37%. Virtually everything went right for the month and returns might have been even higher had we been more aggressive with the same ideas we were already employing. These returns have been produced with only moderate use of leverage and, yes, we are still shorting from time to time based on our model indicators.

You will recall that we have three profit (loss) centers: stocks(short/long), derivatives, and commodities. Once again, the bulk of the returns have been generated in U.S. stocks. While not necessarily our intention, it is where the best volatility and liquidity profiles still exist by far among all markets both here and abroad.

While we obviously hope returns will continue to grow at this pace, it is not realistic and we don't want to stretch or get too risk - oriented with the market so quixotic.

Should any of you wish to add to your investment with Bayou, our next opening will be July 1st. We do have a number of new investors coming into Bayou at that time.

Please call if you have any questions.

Very truly yours,


James G. Marquez

BAYOU FUND L.L.C.

MAILING ADDRESS:
P.O. BOX 542
PURCHASE, N.Y. 10577

31 BUCKOUT ROAD, WEST HARRISON, N.Y. 10604

T. 914 • 993 • 3320
F. 914 • 993 • 3326

June 10, 1997

Roger Hill
745 E. Mulberry
Suite 300
San Antonio, TX 78212

FYI - Letter sent to our members

Dear Roger:

May has been very good for us at Bayou Fund. Specifically, the month was up 16.2% and the year - to - date is now plus 37%. Virtually everything went right for the month and returns might have been even higher had we been more aggressive with the same ideas we were already employing. These returns have been produced with only moderate use of leverage and, yes, we are still shorting from time to time based on our model indicators.

You will recall that we have three profit (loss) centers: stocks(short/long), derivatives, and commodities. Once again, the bulk of the returns have been generated in U.S. stocks. While not necessarily our intention, it is where the best volatility and liquidity profiles still exist by far among all markets both here and abroad.

While we obviously hope returns will continue to grow at this pace, it is not realistic and we don't want to stretch or get too risk - oriented with the market so quixotic.

Should any of you wish to add to your investment with Bayou, our next opening will be July 1st. We do have a number of new investors coming into Bayou at that time.

Please call if you have any questions.

Very truly yours,


James G. Marquez

BAYOU FUND L.L.C.

MAILING ADDRESS:
P.O. BOX 542
PURCHASE, N.Y. 10577

31 BUCKOUT ROAD, WEST HARRISON, N.Y. 10604

T. 914 • 993 • 3320
F. 914 • 993 • 3326

June 10, 1997

Stephen Hoffman
Lower Cross Road
Greenwich, CT 06830

FYI - Letter sent to our members

Dear Stephen:

May has been very good for us at Bayou Fund. Specifically, the month was up 16.2% and the year - to - date is now plus 37%. Virtually everything went right for the month and returns might have been even higher had we been more aggressive with the same ideas we were already employing. These returns have been produced with only moderate use of leverage and, yes, we are still shorting from time to time based on our model indicators.

You will recall that we have three profit (loss) centers: stocks(short/long), derivatives, and commodities. Once again, the bulk of the returns have been generated in U.S. stocks. While not necessarily our intention, it is where the best volatility and liquidity profiles still exist by far among all markets both here and abroad.

While we obviously hope returns will continue to grow at this pace, it is not realistic and we don't want to stretch or get too risk - oriented with the market so quixotic.

Should any of you wish to add to your investment with Bayou, our next opening will be July 1st. We do have a number of new investors coming into Bayou at that time.

Please call if you have any questions.

Very truly yours,



James G. Marquez

BAYOU FUND L.L.C.

31 BUCKOUT ROAD, WEST HARRISON, N.Y. 10604

MAILING ADDRESS:

P.O. BOX 542

PURCHASE, N.Y. 10577

T. 914 • 993 • 3320

F. 914 • 993 • 3326

June 10, 1997

Philip Hempleman
Ardsley Partners
646 Steamboat Road
Greenwich, CT 06830

FYI - Letter sent to our members

Dear Phil:

May has been very good for us at Bayou Fund. Specifically, the month was up 16.2% and the year - to - date is now plus 37%. Virtually everything went right for the month and returns might have been even higher had we been more aggressive with the same ideas we were already employing. These returns have been produced with only moderate use of leverage and, yes, we are still shorting from time to time based on our model indicators.

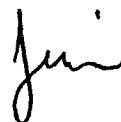
You will recall that we have three profit (loss) centers: stocks(short/long), derivatives, and commodities. Once again, the bulk of the returns have been generated in U.S. stocks. While not necessarily our intention, it is where the best volatility and liquidity profiles still exist by far among all markets both here and abroad.

While we obviously hope returns will continue to grow at this pace, it is not realistic and we don't want to stretch or get too risk - oriented with the market so quixotic.

Should any of you wish to add to your investment with Bayou, our next opening will be July 1st. We do have a number of new investors coming into Bayou at that time.

Please call if you have any questions.

Very truly yours,



James G. Marquez

BAYOU FUND L.L.C.

MAILING ADDRESS:

P.O. BOX 542

PURCHASE, N.Y. 10577

31 BUCKOUT ROAD, WEST HARRISON, N.Y. 10604

T. 914 • 993 • 3320

F. 914 • 993 • 3326

June 10, 1997

Robert Simms
Simms Capital Management Inc.
55 Railroad Avenue
Greenwich, CT 06830

FYI - Letter sent to our members

Dear Bobby:

May has been very good for us at Bayou Fund. Specifically, the month was up 16.2% and the year - to - date is now plus 37%. Virtually everything went right for the month and returns might have been even higher had we been more aggressive with the same ideas we were already employing. These returns have been produced with only moderate use of leverage and, yes, we are still shorting from time to time based on our model indicators.

You will recall that we have three profit (loss) centers: stocks(short/long), derivatives, and commodities. Once again, the bulk of the returns have been generated in U.S. stocks. While not necessarily our intention, it is where the best volatility and liquidity profiles still exist by far among all markets both here and abroad.

While we obviously hope returns will continue to grow at this pace, it is not realistic and we don't want to stretch or get too risk - oriented with the market so quixotic.

Should any of you wish to add to your investment with Bayou, our next opening will be July 1st. We do have a number of new investors coming into Bayou at that time.

Please call if you have any questions.

Very truly yours,


James G. Marquez

BAYOU FUND L.L.C.

MAILING ADDRESS:
P.O. BOX 542
PURCHASE, N.Y. 10577

31 BUCKOUT ROAD, WEST HARRISON, N.Y. 10604

T. 914 • 993 • 3320
F. 914 • 993 • 3326

June 10, 1997

Ben Simon
1925 Palomar Oaks Way
Suite 110
Carlsbad, CA 92008

FYI - Letter sent to our members

Dear Ben:

May has been very good for us at Bayou Fund. Specifically, the month was up 16.2% and the year - to - date is now plus 37%. Virtually everything went right for the month and returns might have been even higher had we been more aggressive with the same ideas we were already employing. These returns have been produced with only moderate use of leverage and, yes, we are still shorting from time to time based on our model indicators.

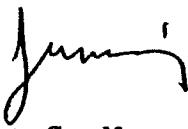
You will recall that we have three profit (loss) centers: stocks(short/long), derivatives, and commodities. Once again, the bulk of the returns have been generated in U.S. stocks. While not necessarily our intention, it is where the best volatility and liquidity profiles still exist by far among all markets both here and abroad.

While we obviously hope returns will continue to grow at this pace, it is not realistic and we don't want to stretch or get too risk - oriented with the market so quixotic.

Should any of you wish to add to your investment with Bayou, our next opening will be July 1st. We do have a number of new investors coming into Bayou at that time.

Please call if you have any questions.

Very truly yours,


James G. Marquez

BAYOU FUND L.L.C.

31 BUCKOUT ROAD, WEST HARRISON, N.Y. 10604

MAILING ADDRESS:

P.O. BOX 542

PURCHASE, N.Y. 10577

T. 914 • 993 • 3320

F. 914 • 993 • 3326

June 10, 1997

Steven Spiegel
115 Lower Cross Road
Greenwich, CT 06830

FYI - Letter sent to our members

Dear Steven:

May has been very good for us at Bayou Fund. Specifically, the month was up 16.2% and the year - to - date is now plus 37%. Virtually everything went right for the month and returns might have been even higher had we been more aggressive with the same ideas we were already employing. These returns have been produced with only moderate use of leverage and, yes, we are still shorting from time to time based on our model indicators.

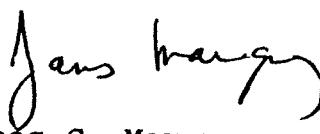
You will recall that we have three profit (loss) centers: stocks(short/long), derivatives, and commodities. Once again, the bulk of the returns have been generated in U.S. stocks. While not necessarily our intention, it is where the best volatility and liquidity profiles still exist by far among all markets both here and abroad.

While we obviously hope returns will continue to grow at this pace, it is not realistic and we don't want to stretch or get too risk - oriented with the market so quixotic.

Should any of you wish to add to your investment with Bayou, our next opening will be July 1st. We do have a number of new investors coming into Bayou at that time.

Please call if you have any questions.

Very truly yours,


James G. Marquez

BAYOU FUND L.L.C.

31 BUCKOUT ROAD, WEST HARRISON, N.Y. 10604

MAILING ADDRESS:

P.O. BOX 542

PURCHASE, N.Y. 10577

T. 914 • 993 • 3320

F. 914 • 993 • 3326

June 10, 1997

Arch Spencer
Global Associates
333 South 7th Street
Suite 2330
Minneapolis, MN 55402

FYI - Letter sent to our members

Dear Arch:

May has been very good for us at Bayou Fund. Specifically, the month was up 16.2% and the year - to - date is now plus 37%. Virtually everything went right for the month and returns might have been even higher had we been more aggressive with the same ideas we were already employing. These returns have been produced with only moderate use of leverage and, yes, we are still shorting from time to time based on our model indicators.

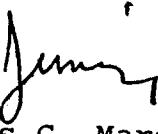
You will recall that we have three profit (loss) centers: stocks(short/long), derivatives, and commodities. Once again, the bulk of the returns have been generated in U.S. stocks. While not necessarily our intention, it is where the best volatility and liquidity profiles still exist by far among all markets both here and abroad.

While we obviously hope returns will continue to grow at this pace, it is not realistic and we don't want to stretch or get too risk - oriented with the market so quixotic.

Should any of you wish to add to your investment with Bayou, our next opening will be July 1st. We do have a number of new investors coming into Bayou at that time.

Please call if you have any questions.

Very truly yours,


James G. Marquez

BAYOU FUND L.L.C.

MAILING ADDRESS:

P.O. BOX 542

PURCHASE, N.Y. 10577

31 BUCKOUT ROAD, WEST HARRISON, N.Y. 10604

T. 914 • 993 • 3320

F. 914 • 993 • 3326

June 10, 1997

Robert Pidgeon
4600 Chickawas Road
Memphis, TN 38117

FYI - Letter sent to our members

Dear Bobby:

May has been very good for us at Bayou Fund. Specifically, the month was up 16.2% and the year - to - date is now plus 37%. Virtually everything went right for the month and returns might have been even higher had we been more aggressive with the same ideas we were already employing. These returns have been produced with only moderate use of leverage and, yes, we are still shorting from time to time based on our model indicators.

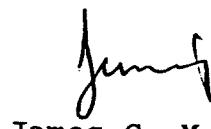
You will recall that we have three profit (loss) centers: stocks(short/long), derivatives, and commodities. Once again, the bulk of the returns have been generated in U.S. stocks. While not necessarily our intention, it is where the best volatility and liquidity profiles still exist by far among all markets both here and abroad.

While we obviously hope returns will continue to grow at this pace, it is not realistic and we don't want to stretch or get too risk - oriented with the market so quixotic.

Should any of you wish to add to your investment with Bayou, our next opening will be July 1st. We do have a number of new investors coming into Bayou at that time.

Please call if you have any questions.

Very truly yours,


James G. Marquez

BAYOU FUND L.L.C.

31 BUCKOUT ROAD, WEST HARRISON, N.Y. 10604

MAILING ADDRESS:

P.O. BOX 542

PURCHASE, N.Y. 10577

T. 914 • 993 • 3320

F. 914 • 993 • 3326

June 10, 1997

Dan Picard
85 June Road
North Salem, N.Y. 10560

FYI - Letter sent to our members

Dear Dan:

May has been very good for us at Bayou Fund. Specifically, the month was up 16.2% and the year - to - date is now plus 37%. Virtually everything went right for the month and returns might have been even higher had we been more aggressive with the same ideas we were already employing. These returns have been produced with only moderate use of leverage and, yes, we are still shorting from time to time based on our model indicators.

You will recall that we have three profit (loss) centers: stocks(short/long), derivatives, and commodities. Once again, the bulk of the returns have been generated in U.S. stocks. While not necessarily our intention, it is where the best volatility and liquidity profiles still exist by far among all markets both here and abroad.

While we obviously hope returns will continue to grow at this pace, it is not realistic and we don't want to stretch or get too risk - oriented with the market so quixotic.

Should any of you wish to add to your investment with Bayou, our next opening will be July 1st. We do have a number of new investors coming into Bayou at that time.

Please call if you have any questions.

Very truly yours,



James G. Marquez

BAYOU FUND L.L.C.

31 BUCKOUT ROAD, WEST HARRISON, N.Y. 10604

MAILING ADDRESS:

P.O. BOX 542

PURCHASE, N.Y. 10577

T. 914 • 993 • 3320

F. 914 • 993 • 3326

June 10, 1997

Arthur Merrill
200 East 66th Street
New York, N.Y. 10021

FYI - Letter sent to our members

Dear Artie:

May has been very good for us at Bayou Fund. Specifically, the month was up 16.2% and the year - to - date is now plus 37%. Virtually everything went right for the month and returns might have been even higher had we been more aggressive with the same ideas we were already employing. These returns have been produced with only moderate use of leverage and, yes, we are still shorting from time to time based on our model indicators.

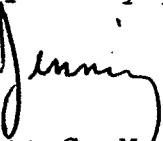
You will recall that we have three profit (loss) centers: stocks(short/long), derivatives, and commodities. Once again, the bulk of the returns have been generated in U.S. stocks. While not necessarily our intention, it is where the best volatility and liquidity profiles still exist by far among all markets both here and abroad.

While we obviously hope returns will continue to grow at this pace, it is not realistic and we don't want to stretch or get too risk - oriented with the market so quixotic.

Should any of you wish to add to your investment with Bayou, our next opening will be July 1st. We do have a number of new investors coming into Bayou at that time.

Please call if you have any questions.

Very truly yours,


James G. Marquez

BAYOU FUND L.L.C.

31 BUCKOUT ROAD, WEST HARRISON, N.Y. 10604

MAILING ADDRESS:

P.O. BOX 542

PURCHASE, N.Y. 10577

T. 914 • 993 • 3320

F. 914 • 993 • 3326

June 10, 1997

Gerry Manolovici
Gilder, Gagnon & Co.
1775 Broadway
New York, N.Y. 10019

FYI - Letter sent to our members

Dear Gerry:

May has been very good for us at Bayou Fund. Specifically, the month was up 16.2% and the year - to - date is now plus 37%. Virtually everything went right for the month and returns might have been even higher had we been more aggressive with the same ideas we were already employing. These returns have been produced with only moderate use of leverage and, yes, we are still shorting from time to time based on our model indicators.

You will recall that we have three profit (loss) centers: stocks(short/long), derivatives, and commodities. Once again, the bulk of the returns have been generated in U.S. stocks. While not necessarily our intention, it is where the best volatility and liquidity profiles still exist by far among all markets both here and abroad.

While we obviously hope returns will continue to grow at this pace, it is not realistic and we don't want to stretch or get too risk - oriented with the market so quixotic.

Should any of you wish to add to your investment with Bayou, our next opening will be July 1st. We do have a number of new investors coming into Bayou at that time.

Please call if you have any questions.

Very truly yours,


James G. Marquez

BAYOU FUND L.L.C.

31 BUCKOUT ROAD, WEST HARRISON, N.Y. 10604

MAILING ADDRESS:

P.O. BOX 542
PURCHASE, N.Y. 10577

T. 914 • 993 • 3320
F. 914 • 993 • 3326

June 10, 1997

Bruce Lueck
President
Okabena Investment Services, Inc.
5140 Northwest Center
90 South Seventh Street
Minneapolis, MN 55402

FYI - Letter sent to our members

Dear Bruce:

May has been very good for us at Bayou Fund. Specifically, the month was up 16.2% and the year - to - date is now plus 37%. Virtually everything went right for the month and returns might have been even higher had we been more aggressive with the same ideas we were already employing. These returns have been produced with only moderate use of leverage and, yes, we are still shorting from time to time based on our model indicators.

You will recall that we have three profit (loss) centers: stocks(short/long), derivatives, and commodities. Once again, the bulk of the returns have been generated in U.S. stocks. While not necessarily our intention, it is where the best volatility and liquidity profiles still exist by far among all markets both here and abroad.

While we obviously hope returns will continue to grow at this pace, it is not realistic and we don't want to stretch or get too risk - oriented with the market so quixotic.

Should any of you wish to add to your investment with Bayou, our next opening will be July 1st. We do have a number of new investors coming into Bayou at that time.

Please call if you have any questions.

Very truly yours,


James G. Marquez

JOHN L. SQUIRE
375 PARK AVENUE
29TH FLOOR
NEW YORK, NY 10152
(212) 888-2800

TELECOPIER: (212) 754-2411

MEMO TO: Ted Rosen

SUBJECT: Bayou Fund, L.L.C. (Sam Israel and Jim Marquez)

DATE: August 12, 1996

Enclosed is a copy of the Grant Thornton statement on the Bayou Fund's first reporting period. The performance was 17.6% for 3 1/2 months (March 18th through June 30th). After the 20% management fee, the investor's return was 14%. This is a realized profit-they are usually out of every position at day's end. The Fund is still small- just \$1,200,000- but this is by design: Sam and Jim want everything "shaken down" and fully operational before raising more money. They own about 45% of the fund.

While 3 1/2 months is a short performance period, I think I've seen enough over the years to recognize the real from the unreal. I've been observing them and learning since last fall. Sam and Jim's program is real- and a little frightening in its accuracy. Their goal is a \$10,000,000 fund and that will be it. I have several clients in who have been waiting for the first results before going for more. From our past conversation, I recall that Burnham Securities looks for talented money managers. Sam told me that John Burnham has been a family friend for many years.

I met Sam and Jim last fall on something else. Sam told me about the program which he had been working on, and upgrading, for the past ten years. The base program originated with two MIT PhDs who came from the U.S. Weather Bureau. The basis is "pattern recognition" theory backed by an enormous data base of price information on virtually every tradable item back to its trading inception. Sam, by background alone, has a very complete understanding and command of trading markets. His skill and understanding of the programming are just as necessary. That he can bring all this together is something rather unique.

On a daily basis, the program works like this:

- the data feed comes in continuously over satellite from Knight-Ritter;
- the program queries the data to ask: based on an 86% correct probability of

Ted Rosen
page two

past trading patterns which are fitting the present trading pattern, what does a forward price chart look like on this particular instrument?;

- the program screens then show the response as three colored lines on a graph;
- Sam and Jim observe the three colored lines. If it all meets their requirements, they go long, or short, and place price limits;
- they get out of almost every position by the day's end. They can be in and out of a given position many times on given day.

I've seen the system work a dozen times. It's really fun to watch the two of them at work. The type of investment is irrelevant: they do commodities, foreign bonds, indices, U.S. securities- anything which gives the right pattern. The type of market- rising or falling- is also irrelevant. Once you are familiar with how the three colored lines work (a program Sam got from Aspen Graphics), you can start to pick situations, too. Sam told me his daughter had a successful morning earlier this year while waiting for her school bus. I think his daughter is about five.

They run the program out of Sam's house in Harrison and they work in a very complementary way. Sam is the trader with the technical end, and Jim is the fundamentalist looking for long-term trends. Their combination of skills set the specific areas of interest (such as the S&P 500, heating oil, yen, etc.) from which they can then focus on specific trading. Both, incidentally, are originally from New Orleans which may help explain why they work so well together.

If you are looking for an interesting form of money-management, may I suggest checking this one out? One of their present investors is also a friend of John Burnham's so there has been a recent mentioning of Sam's doing well- but no mention of this raise-up.

JLS

cc: S. Israel, J. Marquez;
encl: Grant Thornton statement, bios on Samuel Israel III and James G. Marquez, fund material;
Bayou/rosen.wps

REDSTONE

375 Park Avenue
Suite 2805
New York, New York 10152

Tel: (212) 888-2800
Fax: (212) 754-2411

BY TELECOPIER (914-993-3326)

August 22, 1996

Mr. Sam Israel III
Mr. James Marquez
Bayou Fund, L.L.C.
31 Buckout Road
West Harrison, New York 10604

Dear Sam and Jim:

This letter will constitute our agreement that should Redstone Capital Corporation (Andrew A. Levy/John Squire) procure investment funds for Bayou Fund, L.L.C., you will pay earned by Concorde Asset Management Inc. in accordance with its investment management agreement with Bayou Fund, L.L.C. All calculations and payment shall be governed by the terms outlined in the investment management agreement pro rated with respect to those funds procured by Redstone. Said division of fee shall apply to the relevant funds and any additions thereto or earnings thereon retained in the Fund and shall continue with respect to any relevant funds so long as they are in the Fund or any other vehicle which you manage.

From time to time Redstone will bring to your attention additional prospective investors for the Fund and you shall have a period of 72 hours from each such introduction to notify us in writing that you are already aware of such persons and have had significant dealings with them. Should you not so advise us in that time period, such person will be deemed a Redstone Client. Redstone Capital Corporation will be entitled to the 20% share of the management fee on all funds and accretions thereto brought to you by Redstone Clients.

You hereby acknowledge that William Strawbridge, Farzana S. Habib and Hugh Levy are Redstone Clients.

If the foregoing correctly sets forth our understanding, please execute a copy of this letter and return it to us.

Accepted and agreed:

BAYOU FUND, L.L.C.

By: Sam Israel III
Sam Israel III

By: James S. Marquez
James Marquez

Sincerely,

REDSTONE CAPITAL CORPORATION

By: Andrew A. Levy
Andrew A. Levy, President

By: John L. Squire
John L. Squire

BAYOU FUND L.L.C.
31 Buckout Road
West Harrison, NY 10604

F A X C O V E R S H E E T

DATE: September 5, 1996 TIME: 1:12 PM
TO: Peter Alsop PHONE: 212-737-2685
FAX:
FROM: Samuel Israel III & James G. Marquez
RE: Hugh Levy
CC: John Squire

Number of pages including cover sheet: One

Message

We have attempted to reached both John Squire and yourself over the past two days.

Can you please call us as soon as possible to discuss the status of Hugh Levy's potential investment in the Fund.?

Due to deadlines regarding the " opening date" to allow funds into the Fund, it's imperative that we know the date Mr. Levy will be sending his money in.

Sam Israel III
Jim Marquez

REDSTONE CAPITAL CORPORATION
375 PARK AVENUE
29TH FLOOR
NEW YORK, NY 10152
(212) 888-2800

TELECOPIER: (212) 754-2411

*Present John Seetoo
fee for review
looking to the
a come other
JJS*

MEMO TO: John Seetoo

SUBJECT: Bayou Fund, L.L.C. (Sam Israel and Jim Marquez)

DATE: October 23, 1996

Enclosed is a copy of the Grant Thornton statement on the Bayou Fund's first reporting period. The performance recorded has been:

- 17.6% for 3 1/2 months (March 18th through June 30th- audited);
- 19.8% for 5 1/2 months (ended August);
- 21.8% for 6 1/2 months (ended September).

After the 20% management fee, the investor's return would be 17.44% at the end of September. Management takes no fee unless earned from profits. This is a realized profit since they are usually out of every position at day's end.

The Fund is still small- about \$1,350,000- but this is by design: Sam and Jim want everything "shaken down" and fully operational before raising more money. They own about 45% of the fund.

While 6 1/2 months is a short performance period, I think I've seen enough over the years to recognize the real from the unreal. I've been observing Sam and Jim for a year. Sam and Jim's program is real- and a little frightening in its accuracy. Their goal is a \$25,000,000 fund and that will be it. I have several clients in who have been waiting for the first results before going for more.

I met Sam and Jim last fall on something else. Sam told me about the program which he had been working on, and upgrading, for the past ten years. The base program originated with two MIT PhDs who came from the U.S. Weather Bureau. The basis is "pattern recognition" theory backed by an enormous data base of price information on virtually every tradable item back to its trading inception. Sam, by background alone, has a very complete understanding and command of trading markets. His skill and understanding of the programming are just as necessary. That he can bring all this together is something rather unique.

File Memo
page two

On a daily basis, the program works like this:

- the data feed comes in continuously over satellite from Knight-Ritter;
- the program queries the data to ask: based on an 86% correct probability of past trading patterns which are fitting the present trading pattern, what does a forward price chart look like on this particular instrument?;
- the program screens then show the response as three colored lines on a graph;
- Sam and Jim observe the three colored lines. If it all meets their requirements, they may go long, or short, and place price limits;
- they get out of almost every position by the day's end. They can be in and out of a given position many times on given day.

I've seen the system work a dozen times. It's really fun to watch the two of them at work. The type of investment is irrelevant: they do commodities, foreign bonds, indices, U.S. securities- anything which gives the right pattern. The type of market- rising or falling- is also irrelevant. Once you are familiar with how the three colored lines work (a program Sam got from Aspen Graphics), you can start to pick situations, too. Sam told me his daughter had a successful morning earlier this year while waiting for her school bus. I think his daughter is about five.

They run the program out of Sam's house in Harrison and they work in a very complementary way. Sam is the trader with the technical end, and Jim is the fundamentalist looking for long-term trends. Their combination of skills set the specific areas of interest (such as the S&P 500, heating oil, yen, etc.) from which they can then focus on specific trading. Both, incidentally, are originally from New Orleans which may help explain why they work so well together.

If you are looking for an interesting form of money-management, may I suggest checking this one out? I feel very comfortable with it.

JLS

cc: S. Israel, J. Marquez; encl: Grant Thornton statement, bios on Samuel Israel III and James G. Marquez, fund material;
Bayou/files.wps